



Mississippi

State Tax Commission

"The primary mission of the Mississippi State Tax Commission is to collect revenue according to law"

Some helpful information if you are selected for audit...

The Mississippi Tax Commission is the state agency responsible for the administration of the revenue laws necessary to fund public services for you and your fellow citizens. It is our goal that every taxpayer pays the correct amount of tax due according to state law. One step toward reaching that goal is to audit tax returns to verify the accuracy of the tax liability reported.

There are various reasons why you may be selected for audit. But the most common reasons include: random selection, frequent or consistent errors on returns, insufficient information on returns, and/or a discrepancy with comparisons to third party information. This publication's purpose is to provide a general overview of the audit process and what you can do if you disagree with the audit findings.

Please see Chapter 77, Title 27 of the Mississippi Code of 1972, and Title 35, Part I, Chapter 01 of the Mississippi Administrative Code for a more detailed explanation of the law and administrative procedures of the Tax Commission.

Field Audits:

A field audit takes place at your place of business, home, or other place (such as your tax preparer's office) to inspect your financial records. All field audits will be conducted at a reasonable time and place. The auditor will make the initial contact with you concerning the audit. The appointment letter will advise you of the audit date and other general information. It is your responsibility to provide the auditor with records and other information necessary to determine your correct tax liability.

Generally, an audit covers a 3 year period of time. The statute of limitations provides that we are restricted in our review of your returns to a period of 36 months past the date the return was due or the date the return was filed (depending on the tax type being audited.) The statute of limitations only applies to filed returns. There is no statute of limitations for periods for which a return has not been filed.

The appointment letter includes notice that we are stopping the statute of limitations from the date of the appointment letter. This is necessary to establish a beginning date for the audit period. What this means to you is that we will audit returns filed on or after the date given in the body of the appointment letter. This date is generally 3 years prior to the date of the appointment letter.

The appointment letter will provide you with a general guideline of the documents and records that the auditor will need to examine. If the letter doesn't include specific records utilized by you that are critical in proving your tax liability, go ahead and have those records ready in order for the auditor to be able to complete the work on your audit as quickly as possible.

After performing the examination of your records, the auditor will provide you a copy of the audit work papers. You will have a reasonable amount of time to review these work papers, ask questions, and provide additional information, if needed. The time for this review is dependent upon the amount of records and complexity of the issues involved.

It is critical that you communicate any issues you may have concerning the audit with the auditor. You should address all questions concerning the audit, tax law, rules and regulations to the auditor and/or the auditor's supervisor during the course of the audit.

Notice of Assessment:

Once a field audit is completed, the agency will send you a formal notice of the audit results. This letter is called the Notice of Assessment. In this case, the word "assessment" does not necessarily mean that you owe the state any money. The assessment may be a zero amount, a credit (overpayment) amount, or it could be the audit results show that you owe an additional amount of tax, penalties and/or interest.

Many audits result in no change to your reported tax liability. This means that no additional tax was found due nor was an overpayment of tax found. The assessment will show zero tax due. And, in some cases, we will find that you have overpaid your tax. Your assessment letter will show a negative amount of tax due.

When an assessment of additional tax is found due, the assessment will show a positive amount; however, if you have already paid all or part of this assessment, the letter will show the additional tax assessed, a credit for the payment, and the balance due.

If you agree with the audit results:

Once the Notice of Assessment is mailed or delivered to you, if tax is found due, you have 30 days from the date of the notice to pay the liability. You do not need to do anything if you agree with a no change or overpaid finding. If you only agree with a portion of the audit, you may pay that portion and protest the part you disagree with. It is advisable to pay the portion you agree with to avoid accruing additional interest and/or penalties.

If you disagree with the audit results:

The first step is to thoroughly discuss the audit findings with the auditor. We encourage you to ask the auditor questions concerning anything that is not clear to you. If you cannot come to an agreement, request a meeting with the auditor's supervisor where you will be given the opportunity to explain your position, ask questions, and provide any additional documentation to support your position.

If you still cannot agree with the audit results, you may appeal by requesting a hearing before the Review Board. Unless the Tax Commission determines that a delay will jeopardize its ability to collect the assessment, no action will be taken to collect the assessment until it is mailed or delivered to you and the 30 day period for appealing the assessment has expired.

Review Board Hearing:

Once the Notice of Assessment is mailed or delivered to you, you have 30 days from the date of that notice to request a hearing before the Review Board. This request must be made in writing and sent to the Chairman of the Review Board at P. O. Box 22828, Jackson, MS 39225. The 30 day time period begins on the date of the Notice of Assessment regardless of whether you are still in discussions with the auditor, and/or the auditor's supervisor, or whether you are still gathering information to support your position.

You will not be granted a hearing if you do not timely file the request. Mailing your request is not filing the request. If you wish to appeal the assessment, it is your responsibility to make sure that your written request is received by the Chairman of the Review Board within the 30 day period.

You should include the following in your written request for a hearing: your name, address, business name, ID number, and a description of the relief that you are seeking. An ID number can be your social security number, Federal Employer Identification number, and/or your tax account number(s). You should specify what tax assessment you are protesting and the amount of the assessment. Please provide the reason why you are in disagreement with the assessment and supply the information needed to support your reason. At the hearing you are not limited to the information included in your written protest and you may bring additional information and facts to the hearing.

Once the written request for hearing is received, the Review Board will mail you a notice of the date and time of the hearing. You have 10 days from the date of the hearing notice to advise the Board if the date is inconvenient for you and a new date will be assigned for your case. If you contact the Review Board after 10 days, it is at the discretion of the Chairman of the Review Board to reschedule your hearing date.

You may request to submit your appeal in writing (or by electronic means) instead of appearing at the hearing. The Chairman of the Review Board will advise you if your request is granted and the date that your written appeal is due.

If you do not attend your hearing as scheduled, or fail to timely file your written appeal, your appeal will be considered withdrawn and the assessment will not be subject to further review by the Board, the Tax Commission, or a court.

The hearing before the Review Board is informal. At least three members of the Tax Commission staff make a panel. These members will consist of persons independent of the audit department. Representatives from the audit department may attend to explain the audit procedure and results. Other members of the Tax Commission staff may also attend; however, the decision is made by the members on the panel.

At the hearing you will have the opportunity to tell the Board why you disagree with the audit assessment. You may present additional documentation you wish the Board to consider.

You are not required to be represented, but if you desire, you may be represented by your attorney, accountant, employee, or other person you choose; however, confidentiality laws prohibit us from discussing your account with anyone but your authorized representative. It is your responsibility to inform us of who is representing you and you must inform us if you should cease that relationship.

After consideration of the facts presented at the hearing, the Board will mail you or your representative an order informing you of their decision. The order will advise you of the action taken by the Board.

State Tax Commission Hearing:

If you disagree with the decision of the Review Board, you have 30 days from the date of the order to make a written request for a hearing before the State Tax Commission. The State Tax Commission is the Commissioner of Revenue and the two Associate Commissioners. Your written request should be mailed to the Commission Secretary at P. O. Box 22805, Jackson, MS 39225.

Information to include in your request includes your name, address, business name, ID number, and a description of the relief you are seeking. You should specify the order of the Review Board that is being protested and the amount of the assessment. Please provide the reason why you are in disagreement

with the assessment and supply the information needed to support your reason. At the hearing, you are not limited to the information included in your written protest and you may bring additional information and facts to the hearing.

If you do not timely file the request with the Commission Secretary, your appeal will be dismissed as untimely. Mailing of your request is not filing your request. If you wish to appeal the decision of the Review Board to the Tax Commission, it is your responsibility to make sure that your written request is received by the Commission Secretary within this 30 day period.

You will be mailed notification of the hearing date. You have 10 days from the date of the hearing notice to advise the Commission Secretary if the date is inconvenient for you and a new date will be assigned to hear your case. If you contact the Commission Secretary after 10 days, it is at the discretion of the Chairman of the Tax Commission to reschedule your hearing date.

You may request to submit your position in writing or by electronic means instead of appearing at the hearing. The Commission Secretary will advise you if your request is granted and the date that your written appeal is due.

If you do not attend your hearing as scheduled or fail to timely file your written appeal, your appeal will be considered withdrawn and the order of the Review Board will become final and will not be subject to further review by the Tax Commission or a court.

You are not required to be represented, but if you desire, you may be represented by your attorney, accountant, employee, or other person you choose. After the Commission's review and consideration of the facts presented at the hearing, you will be mailed an order advising you of their decision and any action you need to take.

Appeal to Court:

If you disagree with the decision of the Commission, you have 30 days from the date of the order of the Commission to make an appeal to the Chancery Court. When you file your petition, you will need to show that you have paid the assessment under protest or you will be required to post a bond with the Chancery Court in an amount equal to twice the amount due. The findings and the order of the Commission will become final and not subject to further review if you fail to file a petition within the 30 day period and to pay the tax under protest or post the bond within the same period. Upon the decision of the court, either you or the Tax Commission may appeal the decision to the Mississippi Supreme Court.

While all information provided to the agency is confidential, if an assessment reaches the point that a lien is filed against you, or if your appeal should go to court, then the assessment information will become public

Your Responsibilities:

Taxpayers and tax preparers are responsible for being aware of the Mississippi tax laws, rules and regulations. Access to this information is available online at www.mstc.state.ms.us. Taxpayers may also contact the Tax Commission if you have any questions about this information.

It is your responsibility to maintain books and records sufficient to calculate your tax liability. Some assessments for additional tax result from the lack of records and documentation to support revenue calculations and expense deductions. The law provides that when these records do not exist, the Tax Commission may use other information available to calculate your liability.

Mississippi State Tax Commission

It is your responsibility to provide the Tax Commission with your correct mailing address and contact information. We send notices and assessments to the most recent address we have for you on record. If mailed to this last known address, you are presumed to have received the notice or assessment.

Tax Commission Contact information:

Chairman Review Board P. O. Box 22828 Jackson, MS 39225	601-923-7440
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Commission Secretary P. O. Box 22805 Jackson, MS 39225	601-923-7400
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Brookhaven District P. O. Box 3999 Brookhaven MS 39603	601-833-4761
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Columbus District P. O. Box 8885 Columbus, MS 39705	662-328-3271
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Foreign Audit P. O. Box 1033 Jackson, MS 39215	601-923-7309
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Greenwood District P. O. Drawer D Greenwood, MS 38935	662-453-1742
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Gulf Coast District 1141 Bayview Ave Biloxi, MS 39530	228-436-0554
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Hattiesburg District P. O. Box 1709 Hattiesburg, MS 39403	601-545-1261
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Jackson District P. O. Box 1033 Jackson, MS 39215	601-923-7300
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Meridian District P. O. Box 3625 Meridian, MS 39303	601-483-2273
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Senatobia District P. O. Box 127 Senatobia, MS 38668	662-562-4489
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Tupelo District P. O. Box 3000 Tupelo, MS 38803	662-842-4316
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This publication provides general information and does not constitute a regulation of the Tax Commission. Please be aware that legislation, regulations, court decisions, notices and announcements could affect the accuracy of this publication. November 30, 2006.